

## TESTIMONY TO HOUSE INSURANCE COMMITTEE

NOV.20, 2012

My name is Stan Roth. I am 71 years old and serve as Vice President of the 375 hundred member Advocates for Senior Issues in Grand Rapids Mi and I am employed by Disability Advocates of Kent County.

Seniors are very concerned about the impact the proposed legislation SB1293 and 1294 will have on seniors, people with disabilities and the health and welfare of the general citizenry.

First of all, Historically the citizens of Michigan have benefited from direct oversight of Blue Cross Blue Shield by our elected Attorney General.

We remember when Blue Cross Blue Shield sought 30 % premium increase on individual policies and then Attorney General Cox stepped and permitted only a 3% increase.. Michigan's Attorney General's Office has been the pride of the country when it comes to Consumer Protection. We urge you to retain the oversight of Blue Cross Blue Shield, which has 70% of the market, by the office of the Attorney General.

The Insurance commissioner is appointed, not elected and generally is not associated with consumer protection. Citizens have less access to his office. We also remember that the Insurance Commissioner recently sought a 3 year waiver from the Affordable Health Care law from the 80-20 requirement which requires insurers to spend at least 80 cents of the premium dollar on actual health care services. This action was not on our behalf as consumers of health care services and fortunately for us the waiver was not granted.

Secondly, currently Medigap policies are available from Blue Cross Blue Shield at affordable price for seniors and disabled people in Michigan. There is no guarantee of affordability beyond 2016, just when many more citizens will be turning age 65 and need Medicare supplemental insurance. We need Blue Cross to continue to be the insurer of last resort for the ever increasing senior population. took a hit. We don't need to take this hit. We have had the pension tax, our savings earn pennies and the most vulnerable in our society deserve protection.

In addition, Young people with permanent disabilities rely on Blue Cross Legacy policies to supplement Medicare and here is another vulnerable population who will also be hurt by the current bills before you.

It is ironic that the legislature has done little this year regarding the implementation of the Affordable Health Care law that you would rush to pass this piece of legislation which does nothing to help seniors or the disabled who most need health care coverage the most.

Finally, As you are considering turning a public asset into a private mutual company, it would seem that you would seeks an objective party to tell you and us the financial value of Blue Cross Blue Shield before and deal is done..

We urge you to press pause, slow this Blue Cross Bill down, approach this radical legislation in a conservative deliberative manner as is expected of you as our elected representatives. Go home and speak to seniors in your district, speak with family members or someone you know with permanent disabilities and ask them how they will be affected by this legislation. Ask yourselves do these bills as written really benefit the health and welfare of the citizens of Michigan which you are sworn to protect.

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